

Message Text

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PAGE 01 OTTAWA 04077 292252Z

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ACTION EUR-12

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POUCHED AS INFO TO ALL CONSULATES IN CANADA

E.O. 11652: N/A

TAGS: ECON, ELAB, CA

SUBJ: LABOR REJECTS ANTI-INFLATION PROGRAM

REF: (A) OTTAWA 3970; (B) OTTAWA 4050

1. BEGIN SUMMARY: DURING THE PAST WEEK ORGANIZED LABOR HAS, WITHOUT EXCEPTION, DECLARED ITSELF IN OPPOSITION TO THE WAGE-PRICE CONTROL PROGRAM AND IS FORMULATING PLANS TO OPPOSE PROGRAM BY VARIOUS LEGAL MEANS. END SUMMARY.

2. FIRST MAJOR TEST OF UNION REACTION OCCURRED LAST WEEK DURING CONVENTION OF CANADIAN UNION OF PUBLIC EMPLOYEES (CUPE). ITS 210,000 MEMBERS MAKES IT CANADA'S LARGEST UNION. LABOR MINISTER MUNRO'S COURAGEOUS ATTEMPT TO PERSUADE CUPE OF NECESSITY TO FIGHT INFLATION AND OF EVEN-HANDEDNESS OF WAGE AND PRICE CONTROLS WAS GREETED WITH DISBELIEF AND CAT CALLS. MUNRO LEFT VISIBLY SHAKEN WITHOUT SUBMITTING TO QUESTIONS AND ANSWERS REMARKING "IT ONLY PROVOKED THEM." PRIME MINISTER TRUDEAU ADDRESSING ROTARY CLUB LUNCHEON OCT 24 AT SAME TORONTO HOTEL AS CUPE CONVENTION WAS GREETED BY CUPE DEMONSTRATORS WITH "TRUDEAU MUST GO." RESOLUTION CALLING FOR CUPE LOCALS TO DEFY LEGISLATION AND TO TAKE WHATEVER ACTION NEEDED TO OBTAIN DESIRED WAGES

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PAGE 02 OTTAWA 04077 292252Z

AND WORKING CONDITIONS REFLECTED COMPROMISE ACHIEVED

BY OUTGOING CONSERVATIVE PRESIDENT LITTLE AGAINST RADICAL ELEMENTS WHO OPTED FOR OPEN DEFIANCE INCLUDING STRIKE ACTION. SASKATCHEWAN AND NEWFOUNDLAND FEDERATIONS OF LABOR IN CONVENTION HAVE ALSO CONDEMNED ANTI-INFLATION PROGRAM.

3. WITH THESE PRECEDENTS CANADIAN LABOUR CONGRESS (CLC) EXECUTIVE COUNCIL FORMALIZED LABOR'S OPPOSITION AND ELABORATED PROGRAM OF ACTION. IN CAREFULLY WORDED STATEMENT THAT INTENTIONALLY AVOIDS ANY CALL FOR GENERAL STRIKE OR CIVIL DISOBEDIENCE CLC CHARACTERIZED WAGE RESTRAINT MEASURES AS UNFAIR, INEQUITABLE AND UNWORKABLE. TO COMBAT INFLATION CLC REITERATED ITS NINE-POINT PROGRAM SUBMITTED TO FORMER FINANCE MINISTER TURNER LAST MAY WHEN HE UNSUCCESSFULLY SOUGHT CONSENSUS ON VOLUNTARY WAGE-PRICE RESTRAINTS, THESE INCLUDED RENT CONTROLS AND SUBSIDIZED LOW RENTAL HOUSING, CURBING LAND SPECULATION, SUBSIDIZED MORTGAGE RATES, OIL AND GAS PRICE REGULATIONS, NEGATIVE INCOME TAX, HIGHER OLD AGE PENSIONS, CORPORATE TAX CONCESSIONS FOR INVESTMENT NOT HIGHER DIVIDENDS, FULL EMPLOYMENT POLICIES, STABLE MONETARY POLICY, AND ELINATION OF WASTEFUL GOVERNMENT EXPENDITURES (SEE OTTAWA 1743).

4. CLC COUNCIL ADOPTED ACTION PROGRAM TO COUNTER WAGE CONTROLS WHICH WILL ENCOMPASS FOLLOWING MEASURES:

(A) LAUNCH NATIONAL CAMPAIGN TO EXPOSE "INJUSTICES AND FAILINGS" OT ANTI-INFLATION PROGRAM;

(B) PURSUE COLLECTIVE BARGAINING AND DENY EMPLOYERS ESCAPE FROM ECONOMIC AND SOCIAL RESPONSIBILITIES THROUGH USE OF PROPOSED WAGE GUIDELINES;

(C) ORGANIZE SUPPORT FOR ABOVE-CITED NINE-POINT PROGRAM;

(D) ORGANIZE SCHOOLS AND SEMINARS TO FAMILIARIZE OFFICERS AND MEMBERS WITH DANGERS CONTAINED IN NEW LEGISLATION AND DEVELOP WAYS OF COMBATTING IT;

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PAGE 03 OTTAWA 04077 292252Z

(E) RETAIN LEGAL COUNSEL TO ADVISE CLC ON PROCEDURE TO CHALLENGE ANTI-INFLATION LAW IN SUPREME COURT.

5. TO IMPLEMENT ACTION PROGRAM CLC WILL ESTABLISH SPECIAL COMMITTEE TO MOUNT NATION-WIDE PUBLICITY AND EDUCATION CAMPAIGN AND TO COORDINATE PARTICIPATION OF ALL CLC AFFILIATES. FURTHERMORE, THE EXECUTIVE COUNCIL AUTHORIZED ESTABLISHMENT OF NATIONAL FUND TO FIGHT PROPOSED NEW

LEGISLATION AND TO ASSIST AFFILIATES "TO COMBAT ITS INJUSTICES."

6. LENGTHY CLC POLICY STATEMENT ON WAGE-PRICE CONTROL PROGRAM BEING POUGHED TO EUR/CAN AND DEPARTMENT OF LABOR.

7. COMMENT: UNANIMOUS OPPOSITION OF LABOR MOVEMENT TO ANTI-INFLATION PROGRAM TRIGGERED NOT ONLY BY VAGUE AND CONFUSING PROVISIONS IN LEGISLATION, WHICH GOC ADMITS REQUIRES CLARIFICATION THROUGH IMPLEMENTING REGULATIONS, BUT ALSO BY LACK OF CONSULTATIONS PRIOR TO OR AFTER PROGRAM WAS INTRODUCED. APPOINTMENT TO ANTI-INFLATION BOARD OF FORMER CLC GENERAL VICE PRESIDENT WILLIAM LADYMAN WHO WAS NOT REELECTED LAST YEAR AND HOLDS NO UNION POSITION NOW HAS ONLY HARDENED CLC DETERMINATION TO BOYCOTT ENTIRE PROGRAM. UNION LEADERSHIP CONVINCED THAT PRICE CONTROLS WILL BE INEFFECTIVE WHILE WAGE SETTLEMENTS CAN BE EASILY MONITORED. PORTER

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